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PSC APPROVES SALE OF BEREA COLLEGE UTILITIES TO CITY

Commission says transfer to city of Berea is in the public interest

FRANKFORT, Ky. (Dec. 9, 2004) – The Kentucky Public Service Commission today approved the sale of Berea College Utilities to the city of Berea.

The city has met the legal requirements for the transfer of a utility, the PSC said in its order. Berea demonstrated the financial, managerial and technical abilities to provide reasonable service, and the sale is in the public interest, the PSC said.

Berea College operates an electric distribution system serving about 4,700 customers and a water treatment and distribution system with about 3,900 customers. The city will pay the college about \$18.3 million for the system and will assume the system's outstanding debts.

The city of Berea has operated its sewer system since 1961. The city plans to merge the college's utility system with the sewer operations to form a municipal utility department.

Unlike the college-operated system, the municipal agency would not be subject to PSC regulation of its rates and services. Berea has agreed to adopt initial rates equal to those currently charged by the college system.

All of the college's utility employees have been offered jobs with the city.

Today's order and other documents in the case are available on the PSC Web site, psc.ky.gov. The case number is 2004-00331.

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.